



**DEFENSE FINANCE AND ACCOUNTING SERVICE
DFAS CORPORATE DATABASE (DCD)
Corporate Electronic Funds Transfer (CEFT) Application**

Unique Project (Investment) Identifier - 007-97-01-01-01-0133-00-402-125

PRIVACY IMPACT ASSESSMENT (PIA) SUMMARY

[REDACTED]
Freedom of Information Act/Privacy Act (FOIA/PA)
Program Manager
303-676-7514

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Version 1.0.9

**PREPARED BY
ACQUISITION MANAGEMENT ORGANIZATION**

DCD PRIVACY IMPACT ASSESSMENT SUMMARY

1. Introduction

The implementation of public law (P.L.) 104-134, April 26, 1996, Debt Collection Improvement Act (DCIA) mandated Electronic Funds Transfer (EFT) payments for all payees effective January 1, 1999.

The primary objective of CEFT is to provide DFAS with a reliable and efficient means of collecting EFT payment information so it can be used by DFAS to comply with the law.

The term DCD throughout this document means the DCD CEFT application unless otherwise noted.

2. System Overview

What information is to be collected (e.g., nature and source)?

Nature –

- Person's name
- Legal Name/Corporate Name
- Street address, post office box or remittance address as applicable,
- Tax Identification Number (TIN)
- Financial institution information
- Vendor Data Universal Numbering System (DUNS)/DUNS +4 (Plus a 4-character suffix that may be assigned by a business concern) and Commercial and Government Entity (CAGE) Code.

The above information is collected in various systems and forwarded to the DCD.

Source -

The above information is collected directly from individuals or vendor partnerships / corporations using DoD approved paper or electronic forms with appropriate Privacy Act statements.

Why the information is being collected (e.g., to determine eligibility)?

This information is collected to implement P.L. 104-134, April 26, 1996, DCIA, which mandated EFT payments for all payees effective January 1, 1999.

What is the intended use of the information (e.g., to verify existing data)?

This information is collected to help ensure that DFAS makes payments to the right individual or vendor-company in the correct financial institution account.

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3. Administrative, Technical and Physical Controls on Access to the Data

With whom will the information be shared (e.g., another agency for a specified programmatic purpose)?

This information is shared with the other DFAS applications, the Office of Personnel Management (OPM), the Defense Information Systems Agency, Defense Logistics Agency and the Military Surface Deployment and Distribution Command.

What opportunities do individuals have to decline to provide information (i.e., when providing information is voluntary) or to consent to particular uses of the information (other than required or authorized uses) and how do individuals grant consent?

Military Members and DoD Civilian Employees:

Effective July 26, 1996, P.L. 104-134, April 26, 1996, DCIA requires all federal payments to be made via EFT, with the exception of tax refunds, by January 1999. Since 1992, the prescribed method of payment within the Department of Defense (DoD) has been EFT. DoD considers the requirement to participate in EFT as a reasonable condition of service or benefit for personnel. This policy requires payments by EFT for all new military, civilian and annuitant payments on or after July 26, 1996, unless the recipient of the new payment certifies in writing that he/she does not have a financial institution or authorized payment agent.

(Example: I certify that I do not have a financial institution or authorized payment agent.
Signature _____ Date _____).

(DoD Financial Management Regulation (DoDFMR) Volume 7C, Chapter 7, paragraph 070103 and Volume 8, Chapter 1, paragraph 0103.)

Consent is given by completing and submitting a Standard Form 1199A, Direct Deposit Sign-up Form.

The Privacy Act Notice on the Form W-4 (2000) states as follows: The Internal Revenue Code requires this information under sections 30402(f)(2)(A) and 6109 and their regulations. Failure to provide a properly completed form will result in the employee being treated as a single person who claims no withholding allowances. Executive (Exec.) Order No. 9,379 allows for the collection and use of the SSN.

There are no opportunities for individuals to decline to provide their personal information.

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Vendors:

Providing personal information is a condition of doing business with the government. Consent is given by accepting the terms of doing business with the government. The Federal Acquisition Circular (FAC) 2001-16, October 1, 2003, subpart 4.11-Central Contractor Registration amends the Federal Acquisition Regulation (FAR) to require contractor registration in the Central Contractor Registration (CCR) database prior to award of any contract, basic agreement, basic ordering agreement, or blanket purchase agreement on or after October 1, 2003. In addition, the rule requires contracting officers to modify existing contracts whose period of performance extends beyond December 31, 2003, to require contractors to register in the CCR database by December 31, 2003. FAR clause 52.232-33 requires registration for payment. All registrants must provide financial institution information except foreign vendors doing business outside the U.S., utilities and federal government agencies. EFT is the U.S. Government's preferred payment method and has been legally mandated for all contract payments.

How will the information be secured (e.g., administrative and technological controls)?

Records are stored in office buildings protected by guards, controlled screening, visitor registers are used, electronic access, and/or locks. Access to records is limited to individuals who are properly screened and cleared on a need-to-know basis in the performance of their official duties. Passwords and digital certificates are used to control access to the systems data, and procedures are in place to deter and detect browsing and unauthorized access. Physical and electronic access are limited to persons responsible for servicing and authorized to use the record system.

Is a system of records is being created under the Privacy Act, 5 U.S.C. 552a?

Yes. As of 1974, 5 U.S.C. Section 552a, The Privacy Act, as amended requires Federal Agencies to protect personally identifiable information. It states specifically: "each agency that maintains a system of records shall -"

Standard: "maintain in its records only such information about an individual as is relevant and necessary to accomplish a purpose of the agency required to be accomplished by statute or by executive order of the President;"

Procedure: DCD information about individuals is collected to ensure DFAS can provide finance and accounting support.

Standard: "collect information to the greatest extent practicable directly from the subject individual when the information may result in adverse determinations about an individual's rights, benefits, and privileges under Federal programs;"

Procedure: DCD personal information is collected directly from the subject individual via DoD approved forms or other approved method that contains the required notification regarding how the information will be used.

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Standard: "maintain all records which are used by the agency in making any determination about any individual with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination;"

Procedure: Personal information in the DCD is maintained accurately through implementing controls to ensure data integrity (prevention of unauthorized modification of data). Relevance of DCD data is controlled by system design requirements based in law and Federal policies. Timeliness of data is maintained through daily, weekly and monthly updates as required by the applicable business process, DoD regulation and/or the law. Regular updates of personal information are performed. Data completeness is controlled in the DCD through the process of data transfer standards via system interconnect agreements/memorandums of agreement and computer edits.

4. Summary and Conclusions

The implementation of P.L. 104-134, April 26, 1996, DCIA mandated EFT payments for all payees effective January 1, 1999.

The DCD application serves as the repository for payment remittance information. DFAS employees use this information to verify the validity of payee and financial institution information prior to issuing a payment.

The DCD application provides the appropriate level of protection for personal information.

5. Point of Contact and Reviewing Official

[REDACTED]
Freedom of Information Act/ Privacy Act (FOIA/PA) Program Manager
303-676-7514

Comments

We welcome your comments on this privacy impact assessment. Please email [REDACTED] Please include DCD PIA in the subject line of the email.